

ORIGINAL

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July 24, 2001

BY HAND

RECEIVED

JUL 24 2001

FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF THE SECRETARY

Magalie Roman Salas, Secretary  
Federal Communications Commission  
445 Twelfth Street, SW  
Room TW-A325  
Washington, D.C. 20554

**Re: *Ex Parte Presentation***  
**In the Matter of Provision of Directory Listing Information Under the**  
**Telecommunications Act of 1934, As Amended, CC Docket No. 99-273**

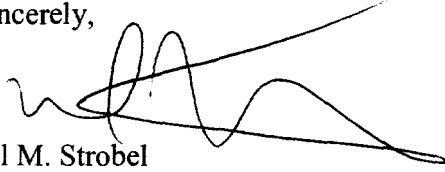
Dear Ms. Salas:

On July 24, 2001, Peter Meyer, CEO of Telegate, Inc. and Ruth Milkman of Lawler, Metzger & Milkman, LLC, met with Jeffrey Carlisle, Gregory Cooke, Rodney McDonald, Scott Bergmann and Pam Slipakoff of the Common Carrier Bureau to discuss the above-referenced proceeding.

During the meeting, Mr. Meyer discussed possible means of promoting competition in the retail market for directory assistance services. A copy of the presentation used during the meeting is included with this submission.

Pursuant to section 1.1206(b)(1) of the Commission's rules, 47 C.F.R. §1.1206(b)(1), an original and one copy of this letter are being provided to you for inclusion in the public record of the above-referenced proceeding.

Sincerely,

  
Gil M. Strobel

Enclosure

cc: Jeffrey Carlisle  
Gregory Cooke  
Rodney McDonald  
Scott Bergmann  
Pam Slipakoff

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LISTABODE



# **Directory Assistance Services: Promoting Competition in the Retail Market**

**Presentation by Telegate, Inc.  
July 24, 2001**



# Overview

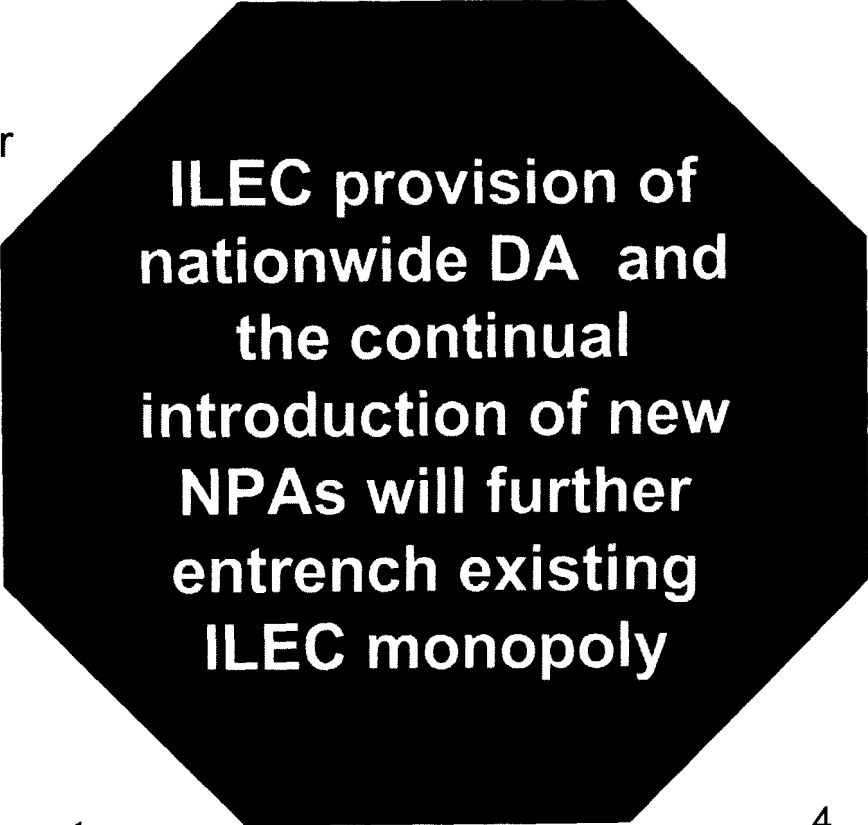
- Who is Telegate?
- Overview of the Retail Market
- Benefits of Competition
  - 411 Presubscription
  - Uniform Dialing Codes

# About Telegate Inc.

- **Subsidiary of Telegate AG**
  - Competitive provider of DA in Germany
  - Acquired 22% of the market in just 3 years.
- **Entry into US Market:**
  - May 2000: Acquired CFW's DA operations
    - Outsourcer to AT&T and others
  - Building 2 call centers to provide Spanish language DA

# **ILEC Monopoly Control over 411 DA Has Led to Predictable Harms**

- **Inaccurate Information**
  - Low accuracy rates result in misbillings of at least \$300M per year to customers
- **Poor Service Quality**
- **Reduced Innovation**
- **Unserved Communities**  
(e.g. Spanish speakers)



**ILEC provision of nationwide DA and the continual introduction of new NPAs will further entrench existing ILEC monopoly**

# Consumers Would Reap Many Benefits From Increased Competition in DA Services

- **Better service** – Competition will create pressure for DA providers to improve accuracy and response times
- **More innovation** – New entrants are likely to introduce new value-added services, such as call completion, locator services, concierge services, etc.
- **Increased focus on underserved markets** – New competitors may focus on niche opportunities such as language-specific DA
  - While the ILECs provide limited language-specific services, surveys indicate that Spanish speaking consumers do not believe that these services are adequate to meet their needs

# **Competition will also fuel further growth in an already sizeable market**

- Analysts estimate the value of the DA market in the U.S. today to be \$3-5 billion
  - Demand for DA services will grow as competition brings greater accuracy, improved reliability and innovative services to the market

## **Two Approaches Likely To Create a Competitive Market for DA services are 411 Presubscription and Uniform Codes**

- Presubscription allows a customer to reach a pre-selected DA provider of its choice by dialing 411
- Uniform codes allow customers to dial a unique number (e.g., 555-XXXX) to reach the DA provider of their choice
- The Commission should ask for comments on both approaches to promoting competition for DA services



## **Benefits of 411 Presubscription**

- **411 is the universally recognized dialing code for directory assistance**
  - The FCC has recognized value of 411 to consumers
  - Despite visible, expensive marketing campaigns, dial-around DA services have been unable to successfully compete with ILEC 411 DA
- **Experience in the long distance market shows that presubscription is an effective means of promoting competition**

# Benefits of Uniform Codes

- **Maximizes consumer control by enabling customers to choose a different DA provider for each call**
- **Allows customers to reach their preferred DA provider without requiring presubscription or dial-around services**
- **Reduces the competitive advantages enjoyed by incumbent providers by requiring all DA providers to adopt new numbers**
- **Frees up scarce numbering resources**
  - The 411 abbreviated dialing code is particularly valuable, because all other N11 codes are currently in widespread use

# **Other Countries Have Used, or Are Considering the Use of, Uniform Codes to Introduce Competition for DA Services**

- **Both Germany and Ireland have successfully launched competition for DA services by adopting new abbreviated dialing codes for DA providers**
  - Competition in the DA market has led to improved service, greater accuracy, innovative services, and economic growth
  - Spain recently issued a plan to move all DA providers, including the incumbent, to new uniform codes (118XY)
- **Several other countries are currently considering following the German model to create a competitive market for DA**
  - The U.K. appears to be leaning toward discontinuing existing default code and moving to a new system of uniform codes (118XXY)
  - Norway is also considering a uniform code scheme similar to the German model